

**Senate Labor, Commerce, Research & Development Committee
Session 2006 Summary**

BILLS THAT PASSED THE LEGISLATURE

Beer, Wine, and Spirits

ESB 6537 - Shipment of wine to consumers (Sen. Kohl-Welles) (C 49 L 06)

The reciprocity law that allows out-of-state wineries to ship wine directly to Washington residents so long as domestic wineries may ship wine directly to residents of other states is repealed. Both domestic wineries and out-of-state wineries are allowed to ship wine to Washington residents who are 21 or older for personal use and not for resale.

SB 6539 - Alcoholic Beverage Licenses (Sen. Kohl-Welles) (C 85 L 06)

The formula for setting the cap on the total number of spirits, beer, and wine restaurant licenses that can be issued statewide is changed from 1 license for every 1500 persons to 1 license for every 1450 persons.

SB 6540 - Processing Liquor Licenses (Sen. Kohl-Welles) (C 359 L 06)

Notice requirements for the issuance of a liquor license are amended. The term "public institution" may be defined by the Liquor Control Board (LCB). The LCB is authorized to issue a temporary license for use on a premises not previously licensed to sell alcohol, and to renew temporary licenses at its discretion for periods of 60 days.

No liquor license shall be issued to a retail premises within 500 feet of a public elementary or secondary school (current law), with the distance measured from the main entrance of a public school to the nearest public entrance of the premises requesting licensure (rather than the outer property line).

SSB 6791 - Liquor Licenses on Washington State Ferries (Sen. Poulsen) (C 362 L 06)

Allows an entity licensed to serve beer and/or wine on a Washington state ferry to serve beer and/or wine on any vessel assigned to a designated ferry route.

2SSB 6823 - Distribution of Beer and Wine to Retailers (Costco Lawsuit) (Sen. Kohl-Welles) (C 302 L 06)

Wineries, breweries, and microbreweries in Washington and other states may distribute an unlimited amount of wine and beer of their own production to Washington retailers. Washington retailers may contract with common carriers to obtain products directly from wineries, breweries, and microbreweries in Washington and other states.

The LCB must convene a task force to review the current regulatory system controlling the sale and distribution of beer and wine, and make recommendations to the Legislature about any proposed changes to the system by December 15, 2006.

The provisions on direct shipment of wine and beer expire on June 30, 2008.

HB 2897 - Caterer's Liquor License (Rep. Condotta) (C 101 L 06)

Caterers licensed to sell alcoholic beverages are permitted to operate on any boat, ship, vessel, barge, or other floating craft of any kind carrying passengers for compensation.

SHB 3128 - Sale of Wine (Rep. Kenney) (C 43 L 06)

A not-for-profit organization formed for the purpose of constructing and operating a facility to promote Washington wines may hold retail licenses on the facility property or lease all or any portion of such facility property to a retail licensee on the facility property.

A bona fide charitable nonprofit society or association that has an officer, director, owner, or employee of a licensed domestic winery or a wine certificate of approval holder on its board of directors may hold a special occasion license to serve alcohol at a particular event.

SHB 3150 - Wine Industry (Rep. Condotta) (C 92 L 06)

Domestic wineries and retail licensees may jointly produce brochures and material promoting tourism which contain information about domestic wineries, retailers, and their products.

Domestic wineries and retail licensees may also identify wineries on privately labeled wines.

HB 3154 - Retail Sale of Beer (Rep. Condotta) (C 44 L 06)

Breweries that hold spirits, beer, and wine restaurant licenses may sell beer of their own production for off-premises consumption from their restaurants. Beer may be sold in kegs or other sanitary containers, such as growlers, that are filled at taps at the time of sale.

Building and Construction

SSB 5236 – Prevailing Wage Program (Sen. Kohl-Welles) (C 230 L 06)

The statute requiring the transfer of 30 percent of the Public Works Administration account revenues to the state general fund is eliminated.

SSB 6225 – Domestic Water Pumping Systems (Sen. Rasmussen) (C 185 L 06)

The bill creates a specialty plumber certificate, issued by the Department of Labor and Industries (L&I), for persons installing, maintaining, and repairing domestic water pumping systems within the interior space of a residence. The requirements for obtaining the specialty domestic water pumping plumber certificate are coordinated with the requirements for a pump and irrigation or domestic pump electrician certificate by allowing L&I to create a combined examination and issue one document reflecting competency in both areas. Application requirements, including the bond requirement, for becoming a licensed pump and irrigation or domestic pump electrical contractor and for becoming a licensed general contractor are coordinated. Advertising for electrical work without having an electrical contractor license is prohibited.

E2SSB 6480 – Apprenticeship Utilization (Sen. Kohl-Welles) (C 321 L 06)

Effective July 1, 2007, the Department of Transportation (DOT) is no longer exempt from apprenticeship use requirements. DOT's required percentage use of apprenticeship labor hours is phased in over three years. DOT is required to use 10 percent apprenticeships on projects over \$5 million beginning July 1, 2007. Required apprenticeship use increases to 12 percent on projects over \$3 million beginning July 1, 2008, and 15 percent on projects over \$2 million beginning July 1, 2009.

The Secretary of DOT is required to adjust the apprenticeship utilization percentage requirement if there is a demonstrated lack of apprentices in a specific geographic area, or a disproportionately high ratio of material costs to labor hours.

SHB 1841 – Electrical Trainees (Rep. Wood) (C 224 L 06)

Requires continuing education courses for renewal of electrical trainee certificates. Prohibits advertising for electrical work without having an electrical contractor license.

Business Licensing and Regulation

SSB 6257 – Security Guard Licenses (Sen. Delvin) (C 173 L 06)

Guest services or crowd management employees who do not perform the duties of a private security guard are exempt from security guard licensing.

SB 6731 – Sellers of Travel (Sen. Fraser) (C 250 L 06)

A person commits the offense of promoting travel for prostitution if the person knowingly sells or offers to sell travel services that include or facilitate travel for the purpose of engaging in what would be patronizing a prostitute or promoting prostitution, if occurring in Washington. This offense is a class C felony.

No seller of travel is to promote travel for prostitution or sell or advertise travel services for the purposes of: (1) engaging in a commercial sex act; (2) offering sex acts as an enticement for tourism; or (3) facilitating the availability of sex acts or escorts.

ESHB 2056 – Recreational Vehicle Shows (Rep. Conway) (C 364 L 06)

A definition of recreational vehicle is added which does not include vehicles that are used as primary residences and are permanently fixed or immobilized in a mobile home lot. The number of temporary subagency licenses that can be issued to recreational vehicle dealers in a 12-month period for events with a certain number of dealer participants is reduced. Advertising requirements and geographical limitations on the Department of Licensing's issuance of temporary subagency licenses for the sale of new or used recreational vehicles are established. The Consumer Protection Act applies to violations of the requirements for recreational vehicle sales.

SHB 2596 – Cosmetology Apprenticeship (Rep. Kenney) (C 162 L 06)

Extends the cosmetology apprenticeship pilot program until July 1, 2008.

Collective Bargaining

SB 6411 - Length of Contracts for Local Government Employees (Sen. Doumit) (Vetoed)

The length of collective bargaining agreements between local government and an exclusive bargaining representative is changed from three years to six years.

E2SHB 2353 - Child Care Collective Bargaining (Rep. Pettigrew) (C 54 L 06)

Collective bargaining between the Governor and a statewide unit of family child care providers under the Public Employees' Collective Bargaining Act is permitted. Negotiated rule-making with a statewide unit of family child care licensees is permitted under the Administrative Procedure Act.

ESHB 2475 - Collective Bargaining Affecting Individual Providers (Rep. Conway) (C 106 L 06)

Requires, at the bargaining representative's request, collective bargaining over how the Department of Social and Health Services' core responsibility for long-term in-home care affects hours of work for individual providers.

Consumer Protection

SB 6416 – Pyramid Promotional Schemes (Sen. Keiser) (C 65 L 06)

A pyramid scheme is defined as an enterprise in which a person pays something for the right to receive compensation that is derived primarily from the recruitment of other persons as participants in the enterprise. Enterprises where participants' compensation is based on the bona fide sale of goods, services, or intangible property to others is not a pyramid scheme. Payments by participants for goods, etc. to be sold by the participants do not constitute "consideration," if the goods, etc. are subject to a repurchase agreement.

Establishing, promoting, operating, or participating in a pyramid scheme violates the Consumer Protection Act.

Employment

SSB 6185 - Family and Medical Leave (Sen. Keiser) (C 59 L 06)

The bill amends the state Family Leave Law to conform, in part, with the federal Family and Medical Leave Act. The bill also includes details about "serious health conditions" and "intermittent leave" from federal regulations.

ESSB 6396 - Sick Leave for Part-time Community and Technical College Faculty (Sen. Kohl-Welles) (C 243 L 06)

Part-time academic employees must be allowed to accumulate leave after the first quarter of employment at a college district. Leave accumulation is not retroactive.

2SHB 2583 – Community and Technical College Employees (Rep. Kenney) (C 308 L 06)

Uninterrupted health care benefits for part-time academic employees at community and technical colleges are maintained provided the employee establishes and maintains a pattern of working at least three of the four quarters of the academic year with an average workload of half-time or more.

Gambling and Horse Racing

SSB 6382 - Equine Industry (Sen. Hewitt) (C 174 L 06)

The Washington State Horse Racing Commission may spend annually up to \$300,000 of operating funds to develop the equine industry and upgrade racing facilities, with priority given to nonprofit race meets and equine health research.

SSB 6613 - Prohibiting Internet Gambling (Sen. Prentice) (C 290 L 06)

The Gambling Act and the statutes governing the State Lottery are amended regarding the use of the Internet in wagering and in selling lottery tickets.

Tax Incentives

2SSB 6558 - Motion Picture Industry (Sen. Brown) (C 247 L 06)

A Motion Picture Competitiveness Program (MPCP), a non-profit entity administered by a board of directors appointed by the Governor, is authorized. The board consists of an at-large chairperson and representatives of: (1) the film industry, including production and post-production; (2) labor unions affiliated with motion picture production; (3) visitors and convention bureaus; (4) the tourism industry; and (5) the restaurant, hotel, and airline industry.

MPCP is authorized to provide up to 20 percent of the in-state cost of, or investment in, certain film production projects that meet film industry revitalization criteria set by the Department of Community, Trade and Economic Development (CTED). A contributor of cash of up to one million dollars to MPCP qualifies, dollar for dollar, for a business and occupation tax credit until 2008. After 2008, the amount of the credit is reduced to 90 percent of the amount contributed. A credit may be claimed in the current year or carried over to up to three succeeding years. No more than \$3.5 million in credits may be granted, state-wide, in any year. The business and occupation tax credit expires July 1, 2011.

Tobacco

ESB 5048 - Tobacco Sampling (Sen. Oke) (C 14 L 06)

Distributing tobacco product samples to members of the public is prohibited. Any violation of this prohibition is a misdemeanor. Various provisions of the laws regulating sampling are deleted or repealed.

Unemployment Insurance

SSB 6359 - SUTA Dumping (Sen. Kohl-Welles) (C 47 L 06)

The requirements for determining successor employer unemployment contribution rates are modified when a significant purpose of the transfer was to obtain a reduced rate by basing the rate on the higher of the involved employers' rates or, if the successor employer was not an employer at the time of the transfer, prohibiting transfer of experience from the predecessor employer and assigning the new employer rate.

The penalties applicable to employers and other persons who intend to knowingly evade the successorship provisions are increased.

The effective date of the bill is retroactive to January 1, 2006.

ESSB 6885 - Unemployment Insurance Changes (Sen. Kohl-Welles) (C 13 L 06)

The temporary two year change in EHB 2255 during the 2005 session in calculating the weekly benefit using "two quarter averaging" and a 3.85 percent multiplier is made permanent. The temporary "liberal construction of the unemployment compensation law" language that was added as a result of EHB 2255 is also made permanent. The voluntary quit provisions are modified applicable to mandatory military transfers. The temporary provision in EHB 2255 allowing the noncharging of benefits that exceed the amount that would have been paid if benefits were based on 1 percent of annual wages (4-quarter averaging) is made permanent.

The social cost factor is zero through rate year 2007 and the maximum tax rate is 5.7 percent beginning in rate year 2008 for agriculture, fishing and food processing. Depending on the trust fund balance, the flat social cost factor rate is reduced and the solvency surcharge trigger is changed from six months of benefits in the trust fund to seven months of benefits.

ESSB 6885 reenacts and makes retroactive certain provisions of 2ESB 6097 (Laws of 2003, 2nd Sp. S., Chapter 4).

The bill also requires the Employment Security Department to study and report to the Legislature by December 1, 2006, on: (1) repeat episodes of unemployment; (2) rate class 40 employers; (3) employer turnover; and (4) fraud prevention methods.

EHB 3278 - Voluntary Quit (Rep. Conway) (C 12 L 06)

Reenacts, retroactively, the "good cause quit" section of 2ESB 6097 (a section that was potentially under challenge in *Batey v. Employment Security Department*). This bill was a "trailer bill" to ESSB 6885.

Wage and Hour

SHB 3185 - Wage and Hour Violation Penalties (Rep. McCoy) (C 89 L 06)

For violations of wage payment requirements, L&I is authorized to order the payment of wages owed, including interest and, for willful violations of wage payment requirements, civil penalties. Employers in specified circumstances have immunity from and waivers of civil penalties. Employees have an election of remedies. Procedures for administrative review of citations and notices of assessment, and for collection of unpaid wages, interest, and civil penalties are established.

Workers' Compensation

SB 6264 - Disability Pension Options (Sen. Kohl-Welles) (C 154 L 06)

Allows an injured worker entitled to an industrial insurance permanent total disability pension to change his or her pension option if the worker's designated beneficiary dies or the worker becomes divorced from the designated beneficiary.

SHB 2537 - Workers' Compensation Applications (Rep. Conway) (C 254 L 06)

This bill creates an industrial insurance pilot project administered by L&I allowing workers to report workplace injuries directly to employers rather than their physician (the current statute permitting workers to report injuries to their physician is maintained). Participating employers, under the pilot, may also assist workers in filing industrial insurance claims.

HB 3134 - Compensation for Disability (Rep. Conway) (C 163 L 06)

L&I is required to calculate the reduction in industrial insurance benefits for federal Social Security retirement benefits using a formula in federal law and guidelines in state law.

Workplace Safety

SHB 2538 - WISHA Inspections (Rep. Conway) (C 31 L 06)

The department of L&I must obtain consent when entering a worksite under the Washington Industrial Safety and Health Act. The department may request that a court issue and authorizes a court to grant a search warrant for inspection under the Washington Industrial Safety and Health Act.